

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 585

BY REVENUE AND TAXATION COMMITTEE

AN ACT

RELATING TO REVENUE AND TAXATION; AMENDING CHAPTER 13, TITLE 63, IDAHO CODE, BY THE ADDITION OF A NEW SECTION 63-1305A, IDAHO CODE, TO ESTABLISH PROVISIONS PROVIDING THAT CERTAIN TAXING DISTRICTS MAY CERTIFY A BUDGET REQUEST IN EXCESS OF CERTAIN LIMITATIONS FOR THE PURPOSE OF PAYING A FINAL JUDGMENT, TO PROVIDE FOR CERTAIN CONDITIONS, TO ESTABLISH PROVISIONS RELATING TO THE APPLICATION OF LAW AND THE METHOD OF PAYMENT, TO PROVIDE FOR RULES AND TO ESTABLISH PROVISIONS RELATING TO A LIMITATION; AMENDING SECTION 50-2908, IDAHO CODE, TO ESTABLISH PROVISIONS RELATING TO LEVIES FOR PAYMENT OF CERTAIN JUDGMENTS, TO PROVIDE CORRECT CODE REFERENCES AND TO MAKE A TECHNICAL CORRECTION; AMENDING SECTION 63-803, IDAHO CODE, TO REVISE A CODE REFERENCE; AMENDING SECTION 63-811, IDAHO CODE, TO REVISE A CODE REFERENCE; DECLARING AN EMERGENCY AND PROVIDING RETROACTIVE APPLICATION.

Be It Enacted by the Legislature of the State of Idaho:

SECTION 1. That Chapter 13, Title 63, Idaho Code, be, and the same is hereby amended by the addition thereto of a NEW SECTION, to be known and designated as Section 63-1305A, Idaho Code, and to read as follows:

63-1305A. PAYMENT OF JUDGMENT BY ORDER OF COURT. (1) Notwithstanding the provisions of section 6-928, Idaho Code, and except as provided for in section 63-1305, Idaho Code, a nonschool taxing district may certify a budget request for an amount of property tax revenues to finance an annual budget in excess of the limitations imposed by section 63-802, Idaho Code, for the purpose of paying a final judgment entered by a court of law, including interest, costs and award of attorney's fees, if any, provided that:

(a) The taxing district first budgets the maximum amount of property tax permitted pursuant to section 63-802, Idaho Code, including any available forgone amount; and

(b) All surplus funds available to the taxing district are used to pay the outstanding judgment; and

(c) The judgment was entered after December 1, 2010; and

(d) The judgment amount, including interest and award of attorney's fees, if any, exceeds one-third (1/3) of the property tax revenues used to finance the taxing district's highest annual budget in the preceding three (3) years; and

(e) The amount in excess of the limitations imposed by section 63-802, Idaho Code, authorized by this section does not increase the budget that would otherwise be applicable by more than the amount raised by a levy rate of two-tenths of one percent (0.2%).

(2) The provisions of subsection (1) of this section pertain regardless of whether the judgment is paid in cash, redeemable warrants, the proceeds

1 of bonded indebtedness permitted as an ordinary and necessary expense or any
2 combination of these methods of payment.

3 (3) The state tax commission may promulgate rules necessary to adminis-
4 ter the provisions of this section.

5 (4) The levy permitted pursuant to subsection (1) of this section may be
6 levied only until the judgment is paid in full.

7 SECTION 2. That Section 50-2908, Idaho Code, be, and the same is hereby
8 amended to read as follows:

9 50-2908. DETERMINATION OF TAX LEVIES -- CREATION OF SPECIAL FUND. (1)
10 For purposes of calculating the rate at which taxes shall be levied by or
11 for each taxing district in which a revenue allocation area is located, the
12 county commissioners shall, with respect to the taxable property located in
13 such revenue allocation area, use the equalized assessed value of such tax-
14 able property as shown on the base assessment roll rather than on the current
15 equalized assessed valuation of such taxable property, except the current
16 equalized assessed valuation shall be used for calculating the tax rate for:

17 (a) Levies for refunds and credits pursuant to section 63-1305, Idaho
18 Code, and any judgment pursuant to section 33-802(1), Idaho Code, cer-
19 tified after December 31, 2007;

20 (b) Levies for payment of judgments pursuant to section 63-1305A, Idaho
21 Code;

22 (c) Levies permitted pursuant to section 63-802(3), Idaho Code, certi-
23 fied after December 31, 2007;

24 (ed) Levies for voter approved general obligation bonds of any taxing
25 district and plant facility reserve fund levies passed after December
26 31, 2007;

27 (~~de~~) Levies set forth in paragraphs (1) (a) through (ed) of this subsec-
28 tion, first certified prior to December 31, 2007, when the property af-
29 fected by said levies is included within the boundaries of a revenue al-
30 location area by a change in the boundaries of either the revenue allo-
31 cation area or any taxing district after December 31, 2007; and

32 (ef) School levies for supplemental maintenance and operation pursuant
33 to section 33-802(3) and (4), Idaho Code, approved after December 31,
34 2007.

35 (2) With respect to each such taxing district, the tax rate calculated
36 under subsection (1) of this section shall be applied to the current equal-
37 ized assessed valuation of all taxable property in the taxing district, in-
38 cluding the taxable property in the revenue allocation area. The tax rev-
39 enues thereby produced shall be allocated as follows:

40 (a) To the taxing district shall be allocated and shall be paid by the
41 county treasurer:

42 (i) All taxes levied by the taxing district or on its behalf on
43 taxable property located within the taxing district but outside
44 the revenue allocation area;

45 (ii) A portion of the taxes levied by the taxing district or on its
46 behalf on the taxable property located within the revenue allo-
47 cation area, which portion is the amount produced by applying the
48 taxing district's tax rate determined under subsection (1) of this
49 section to the equalized assessed valuation, as shown on the base

assessment roll, of the taxable property located within the revenue allocation area; and

(iii) All taxes levied by the taxing district to satisfy obligations specified in subsection (1) (a) through (ef) of this section.

(b) To the urban renewal agency shall be allocated the balance, if any, of the taxes levied on the taxable property located within the revenue allocation area.

(3) Upon enactment of an ordinance adopting a revenue allocation financing provision as part of an urban renewal plan, the urban renewal agency shall create a special fund or funds to be used for the purposes enumerated in this chapter. The revenues allocated to the urban renewal agency pursuant to this chapter, shall be paid to the agency by the treasurer of the county in which the revenue allocation district is located and shall be deposited by the agency into one (1) or more of such special funds. The agency may, in addition, deposit into such special fund or funds such other income, proceeds, revenues and funds it may receive from sources other than the revenues allocated to it under subsection (2) (b) of this section.

(4) For the purposes of section 63-803, Idaho Code, during the period when revenue allocation under this chapter is in effect, and solely with respect to any taxing district in which a revenue allocation area is located, the county commissioners shall, in fixing any tax levy other than the levy specified in subsection (1) (a) through (ef) of this section, take into consideration the equalized assessed valuation of the taxable property situated in the revenue allocation area as shown in the base assessment roll, rather than the current equalized assessed value of such taxable property.

(5) For all other purposes, including, without limitation, for purposes of sections 33-802, 33-1002 and 63-1313, Idaho Code, reference in the Idaho Code to the term "market value for assessment purposes" (or any other such similar term) shall mean market value for assessment purposes as defined in section 63-208, Idaho Code.

SECTION 3. That Section 63-803, Idaho Code, be, and the same is hereby amended to read as follows:

63-803. CERTIFICATION OF BUDGETS IN DOLLARS. (1) Whenever any taxing district is required by law to certify to any county treasurer, county auditor, county assessor, county commissioners or to any other county officer, any property tax levy, upon property located within said district, such certification shall, notwithstanding any other provision of the law applicable to any such district, be made at the time and in the manner hereinafter provided.

(2) The county auditor shall inform each of the taxing districts within his county of the taxable value of that district as soon as such value is known to the auditor, whether the value comes from the appraisal and assessment of real and personal property, or from allocation of the taxable value of operating property, or from other sources.

(3) Using the taxable value of the district, the council, trustees, board or other governing body of any taxing district shall certify the total amount required from a property tax upon property within the district to raise the amount of money fixed by their budget as previously prepared or approved. The amount of money so determined shall be certified in dollars

1 to the appropriate county commissioners. Any taxing unit, except regional
 2 airport authorities, located in more than one (1) county shall divide its
 3 dollar budget for certification to the separate counties by multiplying the
 4 amount of such budget by a fraction, the numerator of which shall be the total
 5 taxable value of all property in such taxing unit within the county to which
 6 such certification is to be made, and the denominator of which shall be the
 7 total taxable value of property in such taxing unit in all such counties.
 8 Budget certification to the participating counties of regional airport
 9 authorities shall be made in the manner prescribed in section 21-807(10),
 10 Idaho Code. Taxable value shall be certified by the county auditor of each
 11 affected county to such taxing unit and such certification shall be used in
 12 this formula. Except as provided in section 33-805, Idaho Code, relating to
 13 school emergency fund levies, the certification to the county commissioners
 14 required in this section shall be made not later than the Thursday prior
 15 to the second Monday in September, unless, upon application therefor, the
 16 county commissioners grant an extension of not more than seven (7) working
 17 days. After receipt of this certification, the county commissioners shall
 18 make a tax levy as a percent of taxable value of all property in the taxing
 19 district, which when applied to the tax rolls, will meet the budget require-
 20 ments certified by such taxing districts.

21 (4) Except as provided in subsection (1)(a) through (ef) of section
 22 50-2908, Idaho Code, for the purpose of this section, "taxable value" shall
 23 mean the portion of the equalized assessed value, less any exemptions, ex-
 24 cept the exemption for personal property in section 63-602KK, Idaho Code,
 25 and the value that exceeds the value of the base assessment roll for the
 26 portion of any taxing district within a revenue allocation area of an ur-
 27 ban renewal district, located within each taxing district which certifies
 28 a budget to be raised from a property tax levy. When the county auditor is
 29 notified of revenues sufficient to cover expenses as provided in section
 30 50-2903(5), Idaho Code, taxable value shall also include the value that
 31 exceeds the value of the base assessment roll for the portion of any taxing
 32 district within a revenue allocation area. For each taxing district, tax-
 33 able value shall include the value from the property and operating property
 34 rolls for the current year and subsequent and missed property rolls for the
 35 prior year or the best estimate of the subsequent and missed property rolls
 36 for the current year.

37 SECTION 4. That Section 63-811, Idaho Code, be, and the same is hereby
 38 amended to read as follows:

39 63-811. COMPUTATION OF PROPERTY TAXES -- DUTY OF COUNTY AUDITOR. (1)
 40 The county auditor must cause to be computed the amount of the local property
 41 taxes levied on the total of the taxable value as entered on the property and
 42 operating property rolls, and must deliver the property and operating prop-
 43 erty rolls to the tax collector on or before the first Monday of November.

44 (2) The county auditor must cause to be computed the amount of the local
 45 property taxes levied on the total of the taxable value as entered on the sub-
 46 sequent property roll, and must deliver the subsequent property roll to the
 47 tax collector as soon as possible, without delay, after the first Monday of
 48 December.

1 (3) The county auditor must cause to be computed the amount of the state
2 property tax and the amount of the local property taxes levied on the total
3 taxable value as entered on the missed property roll, and must deliver the
4 missed property roll to the tax collector as soon as possible, without delay,
5 after the first Monday of March of the year following the year in which the
6 assessment was entered on the missed property roll.

7 (4) Except as provided in subsection (1)(a) through (ef) of section
8 50-2908, Idaho Code, for the purpose of this section, "taxable value" shall
9 mean the portion of the equalized assessed value, less any exemptions and
10 the value that exceeds the value of the base assessment roll for the portion
11 of any taxing district within a revenue allocation area of an urban renewal
12 district, located within each taxing district which certifies a budget to be
13 raised from a property tax levy.

14 (5) The county auditor, at the time of delivery to the county tax col-
15 lector of the property roll, subsequent property roll, missed property roll
16 or operating property roll with all property taxes computed, must subscribe
17 an affidavit to such roll that he has to the best of his knowledge and ability
18 computed the proper amount of property taxes due, and recorded such orders of
19 the board of equalization as have been made and has made no other changes.

20 (6) Failure of the auditor to make the affidavit shall not affect the
21 validity of any entry on the roll. The making of such affidavit, however, is
22 declared to be a duty pertaining to the office of the county auditor. In ev-
23 ery case where the said affidavit is omitted from the real property assess-
24 ment roll, completed and delivered as aforesaid, the board of county commis-
25 sioners must require the county auditor to make the same, and upon refusal or
26 neglect of such county auditor to make and subscribe to such affidavit forth-
27 with, the chairman of the said board must immediately file in the district
28 court in the county, an information in writing, verified by his oath, charg-
29 ing such county auditor with refusal or neglect to perform the official du-
30 ties pertaining to his office, and thereupon he must be proceeded against as
31 in such cases provided by law.

32 SECTION 5. An emergency existing therefor, which emergency is hereby
33 declared to exist, this act shall be in full force and effect on and after its
34 passage and approval, and retroactively to January 1, 2012.